

DEBT AND ECONOMIC RENEWAL IN THE ANCIENT NEAR EAST

VOLUME III

in a series sponsored by the
Institute for the Study of Long-term Economic Trends
and the International Scholars Conference on
Ancient Near Eastern Economies

A Colloquium Held at Columbia University, November 1998

EDITED BY

Michael Hudson

Marc Van De Mieroop

CIDL

Bethesda, Maryland

9.

Debt, Interest, Pledge and Forfeiture in the Neo-Babylonian and Early Achaemenid Period: The Evidence from Private Archives

Cornelia Wunsch
London

The Neo-Babylonian and early Achaemenid periods (6th and early 5th centuries BC) provide rich source material from temple and private archives regarding debts and their ancillary phenomena. This paper reviews the wide range of transactions documented in private archives involving notes of obligation that may appear to reflect loans at first glance. Whether they actually were loans or simply represent advances, arrears or the other kinds of credit transactions inherent in the epoch's normal business life can be determined only by viewing them in their archival context.

The problem is that, although we are dealing with one of the best-documented periods in cuneiform history, there is little way of knowing how large a proportion or how wide a variety of its business transactions are represented by the texts that survive. Most archival collections come from a relatively small number of findspots dug up in clandestine excavations and subsequently dispersed, so that documents that originally belonged together are now scattered in different museum collections. They often can be identified by internal criteria such as the names of the persons involved, but their interpretation — and that of loan documents in particular — is hampered by not knowing the archaeological context that might help explain the circumstances that led to their preservation in the ground (see the discussion in M. Jursa's paper in this volume).

Our documentation consists of records handed down by well-to-do urban families from one generation to the next. This procedure usually involved keeping relevant records and discarding outdated ones. The "core archive" typically consisted of records of lasting importance — property titles to real estate, slaves and prebends, including sale records, inheri-

ance divisions and dowries. The most recent files about the exploitation of fields and orchards would also be kept, along with rental contracts for houses and slaves, business transactions, delivery records and receipts. The archives of some prosperous businessmen contain a large proportion of debt notes and related records that throw light on the epoch's financial transactions and procedures, but we often lack the context needed to explain what really is going on, and the documentation is inherently limited as a result of archive keeping procedures. For instance, previous records were destroyed when accounts between partners were balanced and settled at regular intervals. Thus the surviving evidence of business operations often is limited to records reflecting their ultimate results, mainly in the form of property titles.

Even the abundance of source material is of little help to quantify the role of debt on a society-wide level. Normal business procedure required that debt notes were handed over ("belong to") the debtor once the debt was paid, or invalidated ("broken"). The fact that they frequently are found in the creditor's archive therefore must be explained. Certainly not all of them represent unpaid debts. Instead of the original debt notes being handed over upon repayment, receipts probably were issued in such cases. There is little chance of discovering whether a given documented debt actually was repaid unless a corresponding receipt has survived or the consequence of nonpayment can be learned from other documents. Practically speaking, there is little chance of reconstructing most of the repaid debts and determining the proportion of defaults.

As the palace archive(s) of this period have not yet been discovered, we have little evidence regarding the rural and urban population's interaction with the royal administration. Such records are preserved mainly in the archives of individuals who acted on behalf of the administration or as intermediaries to collect taxes and arrears, made payments in advance or on behalf of other persons, and delivered commodities.

As far as "middle class" individuals of moderate means are concerned, the consequences of debt are mainly visible at the point where they alienate their property (houses, fields, slaves or prebends) to settle their obligations. Debt bondage cannot be traced in the records of this period, and there is little evidence for the sale of family members under conditions of economic hardship.

Only occasionally and haphazardly is the lower stratum of society reflected, as hired labor rarely leaves a trace in the records. Rent farming was documented for only a few years until the records in the landlord's archive became outdated and were discarded. Farmers working their own

land rarely would be expected to leave many records, and in any case it is only by chance that houses outside of urban settlements are located and dug up. Receipts for deliveries and tax payments, or debt notes concerning arrears, the purchase of draft animals on credit, the crediting of taxes, rental obligations, the pledging of the fields, and receipts for delivering commodities to pay off debts normally are preserved only in the archive of their counterparts.

The limited surviving information provides leeway for modern readers to indulge their preconceptions in interpreting the extant texts. To get a more definitive profile of the epoch's business transactions, dossiers of interrelated records must be studied to go beyond their standardized features in a methodical, paradigmatic way as economic procedures are dealt with in highly formalized records. To determine the character of a given transaction, the legal framework of these procedures therefore needs to be understood. An archival approach is essential, for only in this way can the modern observer determine the context, identify the individuals involved and trace the different steps in the procedures being documented.

Neo-Babylonian private business records have two basic advantages as compared to those of other periods. First, they are dated by month, day and regnal year of the current king, enabling us to date them precisely with respect to the Julian calendar. Second, the transaction's parties, as well as witnesses and scribes, are distinguished by means of a three-part name: that of the person involved, the individual's father, and an ancestral or family name. This makes the individuals identifiable without great difficulty, so that genealogical relationships can be established with a high degree of reliability.

Krecher 1970:8 has distinguished three elements of a record: (1) the event (*causa*) that produced it; (2) the actual transaction, recorded as part of a sequence of steps in a business procedure; and (3) the type of record chosen to record it.

Nbn 688 provides an illustrative example: The event (1) that produced this record is the purchase of real estate. The actual transaction (2) is the payment of the purchase price by the buyer on behalf of the vendor to the vendor's (that is, the debtor's) creditor. The record (3) represents a receipt for payment, with an additional clause mentioning the previously pledged asset that has been sold, *i.e.*, explaining the event.

Most records employ well established and universally used legal formulae that scribes learned by heart to record the sale of real estate (houses, fields and prebends) or slaves, debt notes, receipts and quittances, rental

contracts, dowry promises, etc. Specifications were made by adding extra clauses to the contract, often in dialogic style between the contractors that reveal more features of the language actually spoken at the time, including some Aramaic terms.

For example, Nbk 265 states: "A spoke thus to B: '(concerning) 7 minas of silver, 3 slaves and household equipment — apart from 3 minas of silver in the (bride's) cash box — that I have given to you with C, my daughter, as (her) dowry: the creditors of your father have made deductions from it' B spoke thus to A: 'For her dowry that I have carried off . . . 2 slave women with 5 children and all his (change to objective style, 3rd person) property in city and country he has transferred (by means of a) sealed (document) to C, his wife, for 7 minas of silver, the dowry of C. 3 witnesses, scribe. Babylon, 13/v/34 Nbk (Sept. 4, 571 BC)." The second part of this document follows the well-established stereotype for property transfers and dowry conversions, while its first part, describing the reasons and special conditions of this case, is drafted in dialogic form.

Neo-Babylonian debt records

The most common type of record with respect to debt and obligation is what the Babylonians called *u'iltu*. The word is derived from *e'eltu* "to bind (legally)" and can be rendered as "binding obligation." English translations use such terms as note of obligation, promissory note, IOU and debt note, while the standard German translation, *Verpflichtungsschein*, points to the fact that this kind of document states an obligation in an abstract way, *i.e.*, separate from the original *causa* that produced it (Petschow 1956:10). Although the record may mention the reason for the obligation, this is by no means always the case. The operative section (the statement of obligation) reads as follows:

(object) *ša* (name of creditor) *ina mulhi* (name of debtor)

"object of (*i.e.*, owed to) the creditor (is) 'upon' (*i.e.*, at the debit of or owed by) the debtor."

This abstract style is suitable and universally applicable for all sorts of transactions that result in one party being obliged to pay or deliver something to another, or to perform a service. Its generality makes it a powerful instrument to deal with many complex and diverse economic features. Such *u'iltu* formulae can be used flexibly, being readily adaptable to various circumstances. In fact, this abstract quality gives them so much flexibility that it is difficult to determine what actually is going on

unless additional records are preserved to elucidate the transaction's context. As an illustration of this diversity, examples of fourteen different types of transactions are cited below (based on Krecher 1970:9f. with additions). An *u'iltu* may result from:

1. A loan of money or in kind by the creditor to the debtor, for whatever reason and whatever purpose.

The economic historian should be aware that many records for which we lack contextual information have been placed in this category by default.

2. Credit to the debtor in terms of a business venture (*ana harāni*)

Nbk 64: "3 minas of silver of A (are) at the debit of B and C for a business venture (*harānu*). (Of all) that they earn in city and country, they (B+C) will enjoy two thirds of the profit with A. One (debtor) guarantees for the other. 3 witnesses, scribe. Babylon, 27/ii/8 Nbk (June 8, 597 BC)."

3. Purchase of assets such as real estate, slaves or prebends by the debtor, with deferred payment

For a sale/purchase to be valid according to Babylonian rules, the purchase price has to be paid fully. Hence there is always a quitance clause present in the sale/purchase document. Nevertheless, as additional separate debt notes indicate, this quitance clause in the sale/purchase document could be fictive. Part of the purchase price is sometimes deposited in escrow for some time to protect against the eventuality that the object that was sold might have had a prior mortgage lien, or part of the purchase price is withheld by the buyer as a means to urge the vendor to produce additional witnesses or previous documents, or to measure the object.

Dar 228, concerns a land sale: "1 mina of silver (quality given), the balance of the purchase price of the field of A (is) at the debit of B. In the 8th month he will repay it in its principal amount. 3 witnesses, scribe. 13/vii/7 Dar (Oct. 14, 515 BC)." The original sale document is extant, it was drafted ten days earlier. The debt note concerns one forth of the purchase price.

Nbn 176, concerns the sale of a slave: "35 shekels of silver of A (are) at the debit of B. Each month grows one shekel per mina of silver at his debit. The silver is the purchase price of C (a slave) whom B has taken away from A for silver. 2 witnesses, scribe. Babylon, 25/xi/4 Nbn (March 12, 551 BC)." The corresponding deed of sale is not extant.

A debt note concerning the purchase price of a boat is mentioned in the corresponding receipt for this loan, BM 31641: "(Concerning) the boat that A has given to B for 4 minas and 10 shekels of white silver: This silver, 4 minas and 10 shekels, according to his debt note has A received from B. 5 witnesses, scribe. Babylon, 22/vi/26 Dar (Sept. 23, 496 BC)."

4. Purchase of commodities with advance or delay in payment

Purchase of commodities was not covered by normal sale documents, which refer to the purchase of certain definite goods only. Such transactions either leave no trace in the records (when no receipt is issued, the full price is paid in cash, and the goods are handed over at the same time) or can be traced only through receipts or debt notes when the price, or part of it, was paid in advance or with delay. Debt notes can represent a purchase of commodities by the debtor, or delivery by the creditor, with delayed payment (postnumerando, usually denominated in silver), or a purchase by the creditor with payment in advance (praenumerando, denominated in commodities).

VS 3 28: "2 kur of barley of A (are) at the debit of B. In the 3rd month he will deliver it in its principal amount in the settlement of PN. 1 witness, scribe. Settlement of PN, 25/i/41 Nbk (April 4, 564 BC)."

Nbk 152: "44.3.2 kur of barley, principal amount, of A (are) at the debit of B. In the 4th month he will deliver the barley in Babylon at the canal in the measure of A in its principal amount. C and D (two slaves) are the pledge of A. Another creditor shall not seize them until A is satisfied. 2 witnesses, scribe (the debtor himself). Babylon, 25/v/25 Nbk (Aug. 27, 580 BC)."

Nbn 140: "1 mina of silver, the purchase price of a donkey, of A (is) at the debit of B. In the 6th month he will pay. 3 witnesses, scribe. Babylon, 21/i/4 Nbn (May 16, 552 BC)."

BRM I 57: "800 bundles of reed of A (are) at the debit of B. In the 3rd month he will deliver them at the place of the previous reed (delivery). 2 witnesses, scribe. Babylon, 27/viii/3 Ngl (Nov. 10, 557 BC)."

Nbn 66: "20 beams . . . of A (are) at the debit of B. In the 5th month he will deliver (them) in Babylon at the canal. 2 witnesses, scribe. Babylon, 22/iii/2 Nbn (July 8, 554)."

Ngl 69: "30 shekels of silver, purchase price of bulbs, of A (are) at the debit of B and C. In the 1st month they will repay silver of $\frac{1}{8}$ alloy in its principal amount. 4 witnesses, scribe. Šahrīnu, 2/i/4 Ngl (Apr. 12, 556 BC)."

5. Exchange of commodities with delay in delivery

Nbn 616: "20 kur of barley, exchange of dates, of A (are) at the debit of B. The dates, exchange of barley, B has received from A. Till the end of the 4th (i.e., present) month B will deliver this barley, 20 kur, according to the debt note of A to A. 2 witnesses, scribe. Babylon, [-]/4/12 Nbn (June/July 544 BC)."

6. Purchase of objects by the creditor with the object to be manufactured by the debtor (work contract)

Nbk 426: "One bronze pot of 3 minas (weight in the shape of) a skull, . . . (more objects in some partly damaged lines mentioned) and one bucket of 10 shekel (weight) in total, of A (are) at the debit of B. In the 5th month he will deliver. A (prior) debt note about 5 minas of bronze in total is broken (i.e., invalid). 2 witnesses, scribe. Babylon, 21/iv/[-] Nbk (between 604 and 562 BC)."

Nbk 307: "One headdress valued at 3 shekels of silver, of A (is) at the debit of B. In the 1st month he (B) will deliver (it). B has sworn to Šin and Marduk: 'If the 1st month passes before I deliver the headdress to A . . . ' 1 witness, scribe. Babylon, 8/ix/36 Nbk (Dec. 4, 569 BC)."

7. Lending of objects to the debtor

Nbk 325: "11 empty vats of A (are) at the debit of B. In the 7th month he will deliver (them). Broken and lost vats he will replace. 2 witnesses, scribe. Babylon, 13/xi/37 Nbk (Feb. 25, 567 BC)."

8. Deposit of money

Nbk 8: "1 mina of silver of current quality (in an) 'open leather bag', of A (is) at the debit of B. At the end of the 9th month he will return (it) and hand (it) over to A. 2 witnesses, scribe. Babylon, 10/viii/0 Nbk III (Oct. 28, 522 BC). The term *hindu*, 'leather bag,' serves as a *terminus technicus* for a deposit; 'open' means that the contents have been checked.

9. Unpaid accrual of house rent

Nbk 137: "15 $\frac{3}{4}$ shekels of silver of A (are) at the debit of B and C, his (B's) wife. On the 15th day of the 5th (i.e., next) month they will pay. D, their slave woman, is the pledge of A. Another creditor cannot dispose (of her) until A has been repaid his silver. The silver is the rent of the house that B and C are living in. 2 witnesses, scribe. Babylon, 21/iv/23 Nbk (July 17, 582 BC)."

10. Rent of fields or gardens (e.g., *imitru*)

Camb 179: "28 kur of dates, *imitru*-rent of the field at the outlet of the old Kutha Canal, of A (are) at the debit of B. In the 8th month he will deliver . . . (place, delivery conditions and byproducts are specified) Apart from (prior) debt notes. 3 witnesses, scribe. Babylon, 14/vib/3 Camb (Sept. 28, 527 BC)."

11. Delay in transfer of dowry items

Nbk 91: "4 minas of silver, the balance of the dowry of A, the wife of B, (are) at the debit of C, her father. All his belongings in city and country are pledge of A. Another creditor cannot dispose (of them) until A has been fully paid these 4 minas of silver, the balance of her dowry. 7 witnesses, scribe. Babylon, 17/vii/11 Nbn (Oct. 19, 545 BC)."

BM 33981 = AfO 42/43 (1995-96):62, Nr. 13: "12 minas of silver of $\frac{1}{8}$ alloy, the balance of the purchase price of a field in Kār-Tāsmātu (originally belonging to) the dowry of A, the wife of B, (are) at the debit of C (A's father). His house (location given) is the pledge of A until these 12 minas of silver are paid. There is no rent of the house and no interest of the silver, A lives therein . . . (additional clause concerning household items). (Another house plot adjacent to the aforementioned house (remains) at the disposal of C. 8 witnesses, scribe. Babylon, 26/v/1 Xer (Aug. 27, 485 BC)."

12. Refilling and updating of debt records

When the debtor or creditor had changed, part of the debt was paid or several claims were added together, or there may be a change in the interest conditions (antichresis) or change of pledge. Such contracts usually contain a clause stating that all previous records are invalid, lit. "broken."

Nbk 302: "3 $\frac{3}{4}$ shekels of silver of A (are) at the debit of B and C, his (B's) wife. In the 8th month they will pay. Each (debtor) guarantees for the other. (The debt represents) silver that A has paid to D on behalf of B and C, his wife. The (prior) debt record of 6 $\frac{3}{4}$ shekels of silver of D at the debit of B and C is broken (*i.e.*, invalid). 3 witnesses, scribe. Babylon, 9/vi/36 Nbk (Sept. 7, 569 BC)."

An antichretic pledge of agricultural land can result in longstanding debt. The record may refer to debts incurred two generations earlier:

Nbk 311: "[x minas of silver of A and B] (are) at the debit of C. One kur (1.35 hectares) of land in (the area of) Qalunu . . . is pledge of A and B. (. . .) There is no harvest (income for the owner) of the field and no

interest of the silver. (The debt represents) silver that has been paid to the creditors on behalf of [D], his (C's) grandfather. 4 witnesses, scribe. Babylon, 5/xii/36 Nbk (Feb. 28, 568 BC)."

13. Balance owed as a result of settling business accounts/business liquidation

BM 79714: "5 minas of silver of inferior quality with a special *ginnu* mark, the 'income of the cash box' (and) 190 empty old beer vats of A, (are) at the debit of B. In the 3rd month he will deliver these 190 vats and pay the 5 minas of silver of inferior quality. 3 witnesses, scribe. Sippar, 18/vii/2 Dar (Oct. 14, 520 BC)." It should be noted that if we did not know the archival context this document would seem to be a commercial loan or the start of a business venture. However, the context points to the fact that the record actually reflects the end of a *harrānu* venture between A's father and B, and stipulates how long B has to return the original *Geschäftseinlage* of his partner (from the Marduk-rēmanni archive, courtesy C. Waerzeggers).

14. *Wergild*-type obligation as a result of a court decision

BM 79049 = *Aof* 24 (1997):235 concerns a case of grievous bodily harm in which the victim appears in the position of creditor, and the perpetrator as debtor of a compensatory payment: "30 shekels of silver of A (are) at the debit of B; silver which (serves as compensation) for the beating up that B did to A. He hit him in the face and inflicted a serious wound, and admitted it in front of the judges, and the judges have found him guilty. Before . . . (names of 6 judges) their case has been decided. Scribe. Babylon, 11/xiib/12 Nbn (March 29, 543 BC)."

The formula of the debt records (uṣluu)

Notes of obligation were written on pillow-shaped clay tablets in "landscape" format of at least 3.5 cm × 5 cm × 1 cm size, depending on the amount of text to be recorded. Until the end of the 6th century BC, debt records were not sealed. They consist of the following compulsory elements:

- statement of obligation: (object) *ša* (name of creditor) *ina muḫḫi* (name of debtor),
- names of witnesses (indicated by ^{la}*mukinnū*),
- name of the scribe(s) (indicated by *tupšarru*: DUB.SAR or ^{la}UMBISAG),
- place where the document was drafted, and
- date (day, month, regnal year, king's name).

By placing various clauses (list follows) between the statement of obligation and the names of the witnesses, ordinary *uṣluu* were adopted

to the specific circumstances of a given case (occasionally, additional stipulations or names of witnesses were added at the very end after the record was drafted).

1. Termination clause specifying the date when the obligation is due:

ina (day/month) (object) *inamdin*
 "at the given date he will pay the silver/deliver the object"

Nbk 136: "Ten minas of silver, principal amount, of A (are) at the debit of B. In the 4th month he will pay. 2 witnesses, scribe. Babylon, 14/i/23 Nbk (April 12, 582 BC)." The silver is due within 3 months and interest-free.

The place or mode of delivery likewise can be specified in this clause, especially when a delivery of commodities is agreed upon.

TCL 12 45: "8 kur of dates of A (are) at the debit of B. In the 8th month he will completely deliver the dates in Borsippa. 3 witnesses, scribe. Borsippa, 17/i/41 Nbk (March 27, 564 BC)." The delivery date coincides with the date harvest.

In cases of interest-bearing loans the life of the loan is not necessarily given. When the interest payment is replaced by antichretic usage of the debtor's house by the creditor, the life of the loan is rather determined by the intended period of usage.

BM 31343: "Two minas of silver of A (are) at the debit of B. His (B's) house adjacent to A's house is pledge of A. Another creditor cannot dispose (of it) until A has been fully repaid his silver. There is no rent for the house and no interest on the silver. . . . (clauses concerning maintenance and repair). For two years the house is at his (A's) disposal. 3 witnesses, scribe. Babylon, date lost (between 538 and 522)."

2. Interest clause stipulating interest (for more details see under II):

ša arhi ina muhhi 1 manē x šiqil kaspu ina muhhišu irabbi
 "per month on top of one mina there will grow x shekels of silver at his debit"

In the overwhelming majority of cases the amount is one shekel per mina per month, which equals 20% annually during a year of 12 months. (Intercalary months may complicate matters.) The stipulation also can be made annually (e.g., in Cyr 268: 12 shekels per year per mina) and the interest rate can be different. Interest also can be expressed in terms of capacity measures for payment in kind. The usual interest stipulation per month and mina implies monthly payment of interest. However, explicit special clauses such as appear in Nbn 187, 282, or Cyr 45 — *arha-a-ta-*

a'hubulla inamdin "each month he will pay interest" — suggest that a monthly interest payment was not the only possible (or even the usual) arrangement. Interest receipts occasionally are extant, sometimes recording interest in combination with the repayment of the principal in full or in part. Some records indicate the month up to which interest has been paid, often without reference to the actual amount of either principal or interest. Other examples cite the amount of the interest payment, but do not specify the time span covered. It may be understood implicitly that in such cases interest either has been paid until the current month, or that the payment will be dealt with in a separate balance of accounts. We therefore may assume that the terms of interest payment were negotiable between the parties.

Cyr 334: "Interest on his silver until the end of Nisan (1st month) A has received from B. Apart from [x] minas of previous silver that he has received of the principal amount of his silver. 2 witnesses, scribe. Babylon, 3/i/9 Cyr (March 28, 530 BC)." This receipt simply states that interest until the end of the current month has been paid. Neither the amount of the loan, the interest payment or the time span are given.

Camb 301: "4 shekels of silver of the interest on [his] silver A has received from B. One (copy of the document) each they received. 2 witnesses, scribe. Babylon, 3/i-1/5 Camb (534/533 BC)."

Dar 545: "Interest on his silver until the end of Addar (12th month) of the 22nd year of Darius A has received from B, he has been paid (it). 4 witnesses, scribe. Babylon, 6/v/22 Dar (July 24, 500 BC)." The payment is made (at least partially) up front. In this case we are dealing with an interest payment for at least a 7-month period, perhaps even a full year if the amount comprises interest for the 1st to 4th month as well. The record is related to an earlier debt of 10 minas that is likely to represent a longstanding commercial loan. It therefore seems to cover the interest for an entire year being paid all at once, around midyear.

3. Pledge clauses specifying collateral (for more details see under IV):

- certain specified assets (houses, fields, prebends, slaves etc.)

(object) *maškanu ša* (creditor)

"The object is the pledge of the creditor."

- all the debtor's property

mimmušu ša ali u šeri maškanu ša (creditor)

"his (the debtor's) belongings in town and country are the pledge of the creditor."

Sometimes, the pledge clause is followed by a special clause that excludes other creditors' claims on the pledged object(s).

Pledge of a temple prebend.¹ VS 4 171/BV 112 (= NRV 336): "1 mina 3 shekels of white silver of 1/8 alloy of A (are) at the debit of B. Per month there grows 1 shekel on top of 1 mina at his debit. His prebend in the temple of Išhara is the pledge of A until he will fully receive these 1 mina and 3 shekels of silver and its interest. From the 1st of Ajjār (2nd month) of the 28th year there will grow interest at his (B's) debit. 6 witnesses, scribe. Babylon, 27/i/28 Dar (April 23, 495 BC)."

Pledge of all the debtor's property, YOS 17 13: "1 mina of silver of A (is) at the debit of B. From the 1st of Ulul (6th month) per month there will grow on top of one mina 1 1/8 shekels of silver at his debit. His belongings in town and country, as much as there are, are the pledge of A. Another creditor cannot dispose (of it) until A has been repaid his silver. 3 witnesses, scribe. Babylon, 4/iv/17 Nbk (August 3, 588 BC)." The interest rate is 2 3/4% per annum.

Both forms can occur together, for instance in VS 4 118 (= NRV 322): "5 minas of silver of 1/8 alloy of A (are) at the debit of B. Per month there will grow 1 shekel of silver on top of one mina of silver at his debit. The house of B in Sippar and his belongings in town and country, as much as there is, is the pledge of A. Another creditor cannot dispose (of it) until A has been fully repaid his 5 minas of silver and its interest. 7 witnesses, scribe. [Sippar], 20/iv/8 Dar (July 14, 514 BC)."

4. Stipulation of antichresis (for more details see under III):

idi bīn (idi amēlūtī/ebūr eq̄le/būr isqī) iānu u lūbul kaspi iānu
"There is no rent of the house (rent of the slave/harvest of the field/
income of the prebend) and no interest on the silver."

The creditor is granted usufruct of the pledged asset in lieu of interest payments by the debtor.

Cyr 177 (pledge of a house): "1 mina 20 shekels of silver, property of the crown prince Cambyses, under the administration of A, the royal scribe, (are) at the debit of B. His (B's) house (location given) is the pledge of A. Another creditor cannot dispose (of it). There is no rent of the house (and) no interest on the silver until A has been fully repaid his 1 mina 20 shekels of silver. . . . (maintenance and repair clause concerning the house.) C (B's brother) guarantees for the payment of the silver. (. . .) 3 witnesses, scribe. Babylon, 5/viii/4 Cyr (Dec. 12, 535 BC)."

Nbk 311 (pledge of a field): cf. translation on p. 228.

VS 4 60 (= NRV 306, pledge of a slave): "30 shekels of silver of 1/8 alloy of A (are) at the debit of B. In the 3rd month he will pay the silver in its principal amount. C, his (B's) slave, is the pledge (of A). Another creditor cannot dispose (of him) until A has been fully repaid his silver. There is no rent of the slave (and) no interest on the silver. Should he (C) go anywhere else, he (B) will pay 3 liters of barley per day as his (C's) compensation. D guarantees for the payment of the silver. 3 witnesses, scribe. Babylon, 11/iii/3 Cyr (June 8, 536 BC)."

BaM 5 17: iv 20-34 (pledge of a prebend): "58 shekels of silver of A (are) at the debit of B. 6 1/2 days of the baker's prebend in front of the god Kanisurra are the pledge of A. (. . .) There is no interest of the silver and no profit (utru) of the (prebend's) days. Another creditor cannot dispose (of it). (. . .) 5 witnesses, scribe. Uruk, 6/xi/6th year, closure of the Gate (before 626 BC)."

VS 4 89 (= NRV 316, pledge of a prebend): "1 mina of silver of 1/8 alloy of A (is) at the debit of B. His (prebendary) share in the rams, ewes and lambs in front of the statue of Bel in the temple of Ninurta during the 2nd, 8th and 11th day of Nisan (1st month) is the pledge of A. There is no income of the prebend and no interest on the silver until A has been fully repaid his 1 mina of silver. 4 witnesses, scribe. Babylon, 22/x/1 Dar (Jan. 25, 520 BC)."

5. Guarantee clauses:

- debtors assume mutual guarantees for each other

ištēn pūt šamī naštā (ša qerbi ištēn/našallam/inamdin)

"One (debtor) acts as guarantor for the other, (whoever is present will pay/deliver)."

This means that the creditor can claim payment for the complete amount from either debtor. This clause is normally found with joint debtors, even family members.

Nbk 358: "9 shekels of silver of the king's quay owed to A, the chief of the king's quay, (are) at the debit of B and C. At the 20th day of Siman (3rd month) they will pay silver of 1/8 alloy. One (debtor) acts as guarantor for the other. 2 witnesses, scribe. Til-Gula, 10/iii/40 Nbk (May 29, 565 BC)."

- a third person acts as surety for the debtor

PN pūt šēpi ša (debtor) našši

"PN guarantees for the foot of the debtor."

In this case the guarantor is responsible for the debtor being available for the creditor when the debt is due, but only assumes responsibility for payment if he fails to present the debtor (Koschaker 1911:230f.).

- a third person guarantees payment of the debt

PN *pūt eṭēri* . . . *našī*
 "PN guarantees for the payment/delivery (of . . .)"

The guarantor assumes responsibility to pay in case the debtor is unavailable, unwilling or unable to pay. The terms of this stipulation are explained in more detail than usual in the following record:

VS 4 170 (= NRV 335): "1 mina of white silver of $\frac{1}{8}$ alloy of A (is) at the debit of B (for which) he (A) has taken C, his (B's) slave woman as pledge and D guarantees the payment of this 1 mina of white silver of $\frac{1}{8}$ alloy: Until the 10th of Tebet (10th month) D will bring along B and he (B) will pay this 1 mina of silver to A. If B does not pay this 1 mina of silver to A, D will pay to A this 1 mina of silver for payment of which he guarantees. 4+1 witnesses, scribe. Babylon, 20/xiib/27 Dar (April 4, 494 BC)."

A mutual guarantee by joint debtors can be found in combination with a guarantee by a third person, either as surety or as guarantor for payment, and/or a pledge stipulation.

6. *Elat* clause

elat . . .
 "apart from . . ."

The *elat* clauses refer to facts, records or cases not covered by the given document, for instance previous debt notes that are still to be repaid. The purpose evidently was to make sure that a debtor who made a payment for a silver loan could not pretend that this payment was for a different, earlier or later loan when the creditor tried to collect that payment.

Interest rates

In the overwhelming majority of cases Neo-Babylonian and Early Achaemenid contracts stipulate an interest rate for silver loans of 20% *per annum* (expressed by one shekel per mina and month or 12 shekels per mina and year). Occasionally other rates between 10% and 60% *per annum* are attested.² While examples for interest rates of less than 20% can be found in various archives, those exceeding 25% are rare and are limited to spe-

cific archival groups.³ Two abnormal stipulations of 240% in documents from the Egibi⁴ archive (where interest rates beyond 20% are not otherwise attested) must be regarded as scribal errors.⁵ A few attestations of abnormally high interest rates of 200% in documents from the 7th century BC (thus predating the Neo-Babylonian period) cannot be explained satisfactorily due to the scarcity of contemporary texts and the lack of archival context.⁶

1. Interest-free loans

Some loans, especially in the commercial sphere, are interest-free or at least start as interest-free loans, and only accrue interest after the stipulated date of payment has expired.

VS 4 12 (= NRV 168): "3 minas 12 shekels of silver of A (are) at the debit of B. At the end of the 11th month he will pay. If he does not pay, (than) from the 1st of Addar (12th month) on per year on top of one mina 12 shekels of silver will grow at his debit. 2 witnesses, scribe. Babylon, 3/viii/12 Nbn (Oct. 25, 544 BC)." The interest-free period covers almost 4 months.

AUWE 8 90: "1 mina of silver of A (is) at the debit of B. Until the 12th month it is an interest-free loan (*bubuttatu*); if (by then) he (B) will not have paid, than from the 1st of Nisan (1st month) on top of one mina there will grow 1 shekel of silver at his debit. His belongings, as much as there are, are the pledge of A. 4 witnesses, scribe. Uruk, 16/i/4 Nbk (April 14, 601 BC)."

As long as no related records are preserved that help determine the nature of a given transaction, the reasons for the absence of interest can only be guessed. In many cases we deal presumably either with transfers of silver for commercial transactions between business partners or payment promises upon delivery of commodities, as the following example illustrates:

Nbn 581: "20 minas of silver, the purchase price of wool, the property of the crown prince Belshazzar, under the administration of A, the mayor-domo of the crown prince Belshazzar and the scribes of the crown prince Belshazzar (are) at the debit of B. In the 12th month of the 11th year he will pay these 20 minas of silver. His house, slaves and his belongings in town and country as much as there are, are the pledge of the crown prince Belshazzar until Belshazzar fully receives his silver. On any silver that remains in arrears he (B) will pay interest. 5 witnesses, scribe. Babylon, 20/-/11 Nbn (before March, 544 BC)." This document records the

postnumerando purchase of the crown prince's wool revenue by a businessman, probably just before the plucking took place. The money has to be paid right after plucking (in February/March), i.e., at the moment when the wool is collected. Any delay in payment causes interest.

A considerable amount of debt notes in kind do not represent loans but delivery promises that result from rent. Hence, they do not contain any interest clauses.

Camb 179 (cf. translation on p. 100).

2. Interest in kind

Interest rates of loans/debts in kind cannot be determined as easily as in the cases of silver-denominated debt notes. Occasionally, interest clauses of the type of one shekel per mina and month are translated into capacity measures,

as in Nbk 66, concerning dates: *ša arbi ina muhhi 1 gur 1 bán ina muhhi tarabbi* "per month per kur there will grow $\frac{1}{30}$ kur at his debit" (This amounts to 40% annually).

Interest in kind often is stipulated not as a prorated proportion per month or year but simply as a flat rate under short-term conditions, usually until the next harvest. This makes the actual interest rate much higher, considering the life of the loan.

For example, Nbn 369 states: "45 kur barley of A (are) at the debit of B. In the 2nd month he (B) will fully deliver the barley (and) on top of one kur 1 Pl (= $\frac{1}{5}$ kur) at the house of A all at once. Apart from prior debt notes. 2 witnesses, scribe. Šahrinu, 9/ix/9 Nbn (Dec. 12, 547 BC)." This is a 20% stipulation for only a 2 month term.

Some contracts require the principal (denominated in silver) to be repaid in kind at the current exchange rate at harvest time, with additional amounts of commodities to be added. This represents a *de facto* interest payment of variable size (van Driel 1985-86:52).

Cyr 60: "1 mina 30 shekels of silver of A (are) at the debit of B. In the 8th month he will deliver according to the market price of Babylon (and) with 1 shekel $\frac{2}{30}$ kur of dates. 30 bundles of firewood he will deliver with (it). 2 witnesses, scribe. Ecbatana, 22/vib/2 Cyr (Sept. 27, 537 BC)."

The exact interest calculation is hampered by the fact that the ratio between barley or dates and silver at harvest time had a certain degree of flexibility, although the so-called "ideal exchange rate" of 1 shekel of sil-

ver per kur of barley or dates as a rough guide seems to have been applicable in general.

3. Hidden interest

There are several possibilities of charging interest without explicit statement in the records. Such hidden interest is difficult to detect. For instance, the denominated amount of a loan may not be fully handed out to the debtor. Also, the fluctuation of commodity prices can provide the creditor with substantial profit even on an interest-free loan if the loan principal is converted from commodities into silver before harvest time, and back into commodities at rate of harvest time when commodity prices are seasonally lower. Wholesale dealers certainly made use of this method, but it is difficult to quantify the amount of hidden interest in such cases, as long as no comprehensive data are available.⁷

4. Compound interest

Straightforward stipulations or calculations of compound interest are not attested. However, accumulated arrears of interest might have been subject to interest charges. In such cases the respective debt note either would be renewed and the outstanding balance added to the principal amount, or a separate interest-bearing debt note would be drafted and the previous claim acknowledged in the *elat*-clause. Debt notes with such uneven amounts like 26 $\frac{1}{24}$ shekels (Nbn 1132) suggest that the claim comprises interest add-ons (compounding). Records about small amounts of silver that mention still unpaid previous claims and extend the coverage of the pledge to the new debt also could represent interest-bearing obligations on interest arrears:

TCL 12 103: "5 shekels of silver of A (are) at the debit of B and C, his (B's) wife. Per month there will grow one shekel of silver on top of one mina of silver at their debit. Apart from prior debt records of D (the creditor's father) and A (at the debit of B and C), for which the house (of the debtors) has been taken as a pledge. Their house is (also) the pledge (for the current debt). 2 witnesses, scribe. Babylon, 20/xii/12 Nbn (March 3, 544 BC)."

5. Higher rates of return

Interest on commercial silver loans secured by collateral was set at 20% and did not exceed this figure. Higher rates of return could be achieved by means of so-called *ḥarrānu* ventures, though linked with higher risks. In a *ḥarrānu* partnership one of the partners provided the financial funds while the other(s) pursued a clearly defined field of busi-

ness activity. They shared the profits but the investor also had to share the risks (at least face the possibility of no profit at all).

Dar 134: "12 minas (of silver of current quality with a mark) of A (are) at the debit of B for a *harrānu* venture. Of whatever he (B) achieves (lit. works) with these 12 minas, B will give a half share to A. B must not pursue (lit. go) another *harrānu* venture apart from this one. (...) B guarantees for this capital amount [of 12 minas of silver]. B is in charge of the *harrānu* business. 5 witnesses, scribe. Babylon, 5/viii/4 Dar (Nov. 8, 518 BC)."

During the 6th century BC a considerable number of such ventures are attested, especially in the field of wholesale commodity dealing and food processing. There is no way to calculate the actual return on these investments, but if there had not been a fair chance of achieving considerably more than 40% (as the profit had to be shared), the investors might have preferred conventional loan contracts.

Collateral

Debt obligations often were secured by pledges. Whether or not collateral was employed depended on the principal amount, the assets possessed by the debtor, the nature and context of the business transaction, and the relation between debtor and creditor. A relatively small amount owed by a Babylonian businessman and scribe of moderate means might be secured by a slave woman (Nbn 585: 10 shekels at 20% interest), while a huge amount of silver might be owed even by a slave without security (Camb 285: 11 minas at 20% interest). But most debtors pledged assets such as slaves, houses, fields and prebends as collateral.

However, the pledge of free persons or of the debtor himself is not attested in Neo-Babylonian and Achaemenid sources (Dandamayev 1984:168f.), nor is there hard evidence to support the assumption that the debtor had the right to use his wife as security (as was done in earlier periods). Even instances of the pledge and sale of children by their parents are extremely rare, and result from exceptional circumstances such as famine caused by a military siege of the city for a protracted length of time (Oppenheim 1955, Dandamayev 1984:170f.).

1. Pledge and antichresis

The value of a security normally was expected to cover the principal amount, and might well exceed it, potentially allowing additional amounts to be added later to the debt. When the creditor is granted antichretic usage of a pledge, its estimated income was correlated to the interest on

the principal, and was assumed to be roughly equal. Special conditions apply if there is a significant disparity.

Camb 379: "1 mina 20 shekels [i.e., 80 shekels] of silver of $\frac{1}{8}$ alloy of A (are) at the debit of B. C, his (B's) slave, a cook, is the pledge of A for 1 mina of silver (under the condition of) no rent for the slave and no interest on the silver. And (the balance of) 20 shekels: per month one shekel per mina grows at his debit. His house (and) all his belongings in town and country is the pledge of A. Another creditor cannot dispose (of it). If C goes somewhere else, he (B) will pay 1 liter of bread per day as his (C's) compensation. B also will provide clothing for C. A prior debt note of 1 mina of silver of A is invalid (lit. broken). 4 witnesses, scribe. Babylon, 18/v7 Camb (Aug. 19, 523 BC)." The antichretic pledge only covers three-fourths of the principal, so that interest accrues on one quarter of the loan balance. If the slave ceases to work for the creditor, the income loss has to be compensated by the debtor.

VS 4 64 (= NRV 307): "51 shekels of silver of $\frac{1}{8}$ alloy of A (are) at the debit of B. The house of B (location given) — and C (still) lives in this house — is the pledge of A for 35 shekels of silver. There is no rent of the house and no interest on the silver. A will live in it. And (concerning) the balance of 16 shekels: On top of one mina there will grow 12 shekels at his debit. . . . (guarantee and repair clauses concerning the house). For 2 years the house will be at his (A's) disposal. From the 1st of Ajar (2nd month) on is the house at the disposal of A. 2 witnesses, scribe. Borsippa, 5/ii/7 Cyr (April 20, 532 BC)." In this case the creditor takes possession of the debtor's house that still is rented out to a third party at the time the record is drafted. However, the antichretic pledge only covers part of the debt. The antichreted term of usage is 2 years, and the creditor (in his capacity as the tenant) is responsible for the house's maintenance and repair, a stipulation that is in accordance with contemporary rental contracts.

Antichretic pledge of certain assets, especially urban houses, can have an economic function that cannot be described along the lines of a normal creditor-debtor relationship. In one case, a rich business family keeps well-located and valuable urban properties pledged over the span of three generations (one of the records, Cyr 177, is translated on p. 232).⁸ The debt approximately matches the value of the property and the antichretic use means that neither interest nor rent has to be paid. This avoids the need for any subsequent money transfer, except for the final repayment of the principal. It should be noted that isolated records would not have revealed the life of the loan or its relevant background information. But viewed in the archival context, the sophisticated nature of this arrange-

ment becomes apparent, especially when the location of the house and the creditor's identity are considered. The house is adjacent to the palace of the crown prince, and the latter's administrator wants to use it. The underlying transaction therefore is a rental contract clad in the shape of antichresis.

This arrangement accommodates both parties. The owner of the house has acquired the legal title by purchase, and as long as he is able to repay the debt one day the house will belong to him. Instead of semiannual upfront rental payments, he receives from the prospective tenant the full amount of the price (or close to it) a short time after the purchase, and reinvests in his business the entire capital spent on the house purchase. The tenant is *de facto* providing the credit for his acquisition. This purchase of real estate does not function as mere outlet for commercial profits, but seems to be the aim. If the debtor's future activities fail, the loss can be covered by the asset. From the royal administrator's point of view the operation also makes sense, for instead of spending institutional resources piecemeal on rental fees, he hands out a lump sum, although in the form of credit, secured by an object of equal value. If self-interest was involved, it was disguised by this procedure in such a way as to withstand any bookkeeping controls.

Antichretic pledge of agricultural land likewise tends to result in longstanding debt (the example of Nbk 311 is translated on p. 228 under 12), but the economic consequences can be quite different from the above example, depending on the resources still available to the debtor. If the pledged asset represents his main source of livelihood and income, he subsequently is reduced to the status of a tenant of his creditor. Being deprived of means of income above subsistence, repayment of the debt remains a matter of wishful thinking rather than economic reality. The "conversion" principle (transformation of an original mortgage into an antichretic pledge, described by Stolper 1985:105-7 with previous literature) enables the creditor to assume the position of owner and enjoy the income without actually holding title to the property in question. This arrangement often is used for landholdings granted in return for military service or similar assets that were legally inalienable.⁹ As the pledged asset cannot be sold to settle the debt and the indebted owner furthermore is burdened with the obligations that are linked with the land and even force him to incur further advances, longstanding indebtedness ensues and there is no way to overcome the dependency from the creditor-lender, unless the debtor happens to find other resources (e.g., military booty while serving in a campaign) or the debt is canceled.

Antichretic pledge of agricultural land occasionally can be found among the wealthy classes as well. In such cases the economic parity of creditor and debtor is expressed by exact correlation of rent and interest, as the following example from the Egibi archive shows:

Dar 491: "2 minas 8 shekels of white silver of $\frac{1}{4}$ alloy of A (are) at the debit of B. Per month on top of one mina there will grow 1 shekel of interest on these 2 minas and 8 shekels of white silver. 2 kur (2.7 hectares) of grain field in 2 plots adjacent to (the plots of) C and D are the pledge of A. A will consume (lit. eat) the yield that comes from this field. (The amount) that exceeds the (equivalent of the) interest silver will be at B's disposal, and (the amount) that falls short of the (equivalent of the) interest B will pay to A. 9 witnesses, scribe. Babylon, 19/xi/19 Dar (March 4, 503 BC)." This stipulation implicitly requires the interest (calculated in silver) to be converted into kind at the harvest-time rate.

2. Forfeiture of a pledge and foreclosure procedures

Sale documents reveal that debt was the most common reason to sell property, especially real estate. This can be detected either when a special clause in the sale document states that the purchase price (or part of it) has been handed over to the creditor(s), or when additional documentation concerning the debt is preserved. The creditor did not have the right to seize the pledged objects outright without prior formal settlement, unless this procedure was agreed upon in advance between the parties, as in the following case:

TCL 13 193: "45 minas of silver of A (a royal official) (are) at the debit of B. In Siman (3rd month) he will pay these 45 minas of silver in its principal amount in Babylon. (Names of 8 slaves), altogether 8 people (being) his slaves, (and) his field in Šuppattu, comprising date orchard and arable land (location described) is pledge of A. Another creditor shall not seize them until A has fully received his 45 minas of silver. If he (B) does not pay these 45 minas of silver in Siman (3rd month), (names of 8 slaves), altogether 8 people, (being) his slaves, and his field, the objects pledged to A, will be transferred as property to A at the purchase price of these 45 minas of silver. 14 witnesses, scribe. Susa, 10/xiib/16 Dar (March 27, 505 BC)."

If the debtor could not repay, the matter usually was solved by him selling the pledge to either a third person or the creditor himself.¹⁰

Nbn 126: "A voluntarily (lit. in the joy of his heart) has given B, his slave, for the purchase price of 52 shekels of silver to C. A guarantees that vindications concerning B won't arise. (The purchase price represents) silver that has been paid to D. (And concerning) the debt record of D (at A's

debt) for which B (A's slave) had been taken as a pledge: He (D) has handed (it) over to C. 3 witnesses, scribe. Babylon, 20/xi/3+ Nbn (between 533 and 547 BC).¹⁰ The abbreviated formulaic style of this record is difficult to reproduce but the details of the case are obvious: A was indebted to D and had pledged a slave. The slave is now sold to C in order to settle the debt; the buyer pays the purchase price to the vendor's creditor and receives the corresponding debt note in return.

Although the creditor was not prohibited from buying the pledge,¹¹ this practice seems to have been avoided often — in many cases the purchase was arranged by a middleman acting as intermediate buyer. This surely still reflects the notion of the creditor abusing power by buying the pledge. Sales prices on such occasions are found to be in accordance with otherwise attested figures, even in cases of distress. When a family after the death of its head had to sell all their agricultural land and their houses, the prices were fixed at the same level that they were purchased at.¹²

The sale of an object was definite and final. The vendor and his descendants were forbidden to return to the subject, as the beginning of the guarantee clause explicitly states, threatening them with high fines. Some cases of last moment evasion of a forced sale are attested, even after the sale record was already drafted:

Dar 469+BM 41680: "(Concerning) [x minas of silver], the purchase price of agricultural land and a house plot (locations given), that in the 18th year of Darius A has purchased from B for the entire (price in) silver: The silver and interest according to the [sale] contract of this agricultural land and this house plot A has received from B. A has handed back the sale contract of the agricultural land and the house plot to B. There is no legal case or claim of A against B concerning this agricultural land and this house plot, and (there is) no (more) debt claim of A at the debt of B. 7 witnesses, scribe. Babylon, 29/ii/19 Dar (April 22, 503 BC)."¹³ From the last clause it becomes apparent that B was indebted to A and both parties had agreed about B transferring the aforementioned objects to A in order to settle the debt. At the beginning of the next year (*i.e.*, at least one month, maybe a considerable span of time later) B came up with the money and its interest, so this matter was settled by canceling the sale. Obviously the buyer did not insist on the purchase, for otherwise the vendor probably could not have forced him to renounce the agreement.

Nbn 837: "(Concerning) A, the slave woman of B, whom he sold for 1 mina 20 shekels to C: (This sum) comprises 1 mina of silver that C (already) has paid to B and B's mother for agricultural land (location given), but he [didn't do] the purchase. . . (fragmentary) (Concerning) the bal-

ance (of the money): He (B) will make his mother a witness to the sale document about A, whom C has bought, and (then) C will pay these 20 shekels of silver to B. 2 witnesses, scribe. Bit-šar-Bābili, 2/ii/15 Nbn (April 26, 541 BC)."¹⁴ In this case, the sale of land was avoided by selling a slave woman instead. Part of the purchase price is only to be transferred after the vendor's mother agreed to the deal. By witnessing the contract she renounces any claims on the sold slave woman (who might have belonged to her dowry).

In case the debtor died his heirs were to take over his obligations in the same way as the heirs of the creditor inherited the latter's claims. The importance of record-keeping concerning both claims as well as payments can be seen from the following court case:

Nbn 1128: "A disputed a legal issue concerning 45 shekels, the claim of his father at the debt of B, with C (B's son) before the chief judge and the panel of king Nabonidus's judges. The debt record of A's father (as creditor) at the debt of B for which his (B's) house was taken as a pledge was read aloud in front of them. The chief judge and the judges asked for a deed or proof of B's repayment, but he could not bring (it). They deliberated. Two and a third reeds (about 28 square meters) of C's house plot (description and side measures given) the chief judge and the judges transferred as property to A in lieu of his [claim]. In order to not allow any changes the chief judge and the judges issued a tablet, sealed it with their seals and gave it to A. At the writing of this tablet were present: (names of the chief judge, 7 judges and 2 scribes). Babylon, 11/xi/- Nbn (about 555 BC)."¹⁵

Heirs by testate had the right to renounce an insolvent inheritance. In such cases the claims of the creditors had to be ultimately settled either from the deceased's estate or were the guarantor's responsibility. A group of texts deal with such a troublesome inheritance:¹⁶

Nbk 359, TCL 12 122, Nbn 668 and related texts: 565 BC a childless couple agreed about leaving their estate after their deaths to the wife's sister and the husband's nephew. 18 years later, they incurred an initially interest-free loan of 2 minas and 20 shekels, secured by four slaves as pledge, and a third person guaranteed repayment. If not repaid within 2 months, interest charges of 20% annually would accrue. Four years later, both debtors had died and the creditor demanded payment from the guarantor. As a result of a court case, the guarantor had to pay the aforementioned amount to the creditor and was referred to the deceased's estate for compensation. In the ensuing second court case the testamentary heirs renounced the obviously debt-encumbered inheritance and the judges awarded the slaves to the guarantor in lieu of the debt payment. Things finally got confused when one of the slaves claimed to have been manumitted. It turned out that her

mistress had freed her on her death bed. But as the slave already had been pledged before the judges declared the manumission void.

Insolvency and debt cancellation

1. Cases of insolvency

Debtors often had to deal with unpleasant consequences when they found themselves unable to pay. Most of them had run up debts in the first place because of temporary constraints or needy circumstances. The tendency was for the interest charges on their borrowings to force them further and further below the break-even mark, and deeper and deeper into debt as a result of their initial inability to make ends meet. There is not much indication in the business records of just what happened to ordinary debtors who found themselves unable to pay and had no (more) assets to sell. One way was for the debtor to work off debts directly with his own labor. Stipulations in debt notes concerning rental arrears indicate that tenants could reduce their debt by work in addition to their share (digging up the soil or irrigation trenches, building of walls, planting trees).¹⁴

Some debtors were put in prison in order to call upon family responsibility to bail them out.¹⁵ Dandamayev (1984:160) points out that these prisons, in essence, were workhouses run by the state, some temples or even private individuals where the debtors had to work off their debt under the supervision of their creditor's agents. To avoid this fate, some debtors fled their obligation, as it attested by cases where the sureties who guaranteed the original loan were called upon to pay it. Nevertheless, the consequences of indebtedness seem less harsh as compared to the earlier periods in Babylonian history or, for that matter, the increasingly severe debt consequences found in Rome. Neo-Babylonian debtors could not be sold by their creditors (Dandamayev 1984:159-163). There are few if any attestations for the sale of family members (children, wife) or the self sale of the debtor (Dandamayev 1984:175 with examples) and they occurred under conditions of extreme hardship.

Bankruptcy cases among the business community were certainly more common than the preserved evidence suggests and involved some risks for the creditors as well, depending on how their claims were secured. The most famous case comes from the time of Evil-Merodach (561/560 BC). A certain Nabû-apla-iddin is reported to have incurred considerable debts over the period of several years and had to sell his assets. Van Driel (1985-86:60) pointed out that the claims of the creditors were settled in a way as to distinguish between those with securities and those with-

out. A decade later, however, the same individual is found to rent out a house on antichretic terms. This suggests that he either was allowed a fresh business start after the aforementioned affair or that he had not actually been bankrupt.

When a bankrupt family was forced to sell all its assets but could not cover its entire debt, the creditors offered to cancel the remaining balance in consideration of long-standing business relations and the tragic circumstances that had struck the debtor's family.¹⁶ Another debt cancellation on individual level is attested when a debtor who had sold his house to his creditor was freed from the remaining claim on interest payments (Nbn 633).

2. Debt cancellations in the 6th century?

Records that clearly confirm royal debt cancellations in the 6th and 5th centuries BC have not yet come to light, but the discussion of whether or not it is anachronistic to assume that such general remissions might have taken place and left a trace in the contemporary business records recently has gained momentum.¹⁷ Studying the 5th-century Murašû archive from Nippur, M.W. Stolper found significant irregularities in the chronological distribution of promissory notes containing pledges of real property. A sharp peak occurs in 424/423, at the succession of Darius II. Just what this means depends on whether these records represent the discarded evidence of bad debts, or debt titles producing long-term prospects of economic gain for the creditor by his antichretic use of the pledged objects. G. van Driel suggested that they should be viewed as debt claims that had lost their value following a debt remission by the usurper Darius II once he gained power. Stolper objected that this hypothesis involved an allusion to a practice that had long since been discontinued, and therefore might be anachronistic. Although he based his view on the lack of hard evidence for such debt cancellations in the contemporary cuneiform literature, he did draw attention to possible support from classical sources (Donbaz-Stolper 1997:15 with note 36). The problem, he finds, is that although Herodotus (III.67) relates that the 6th-century usurper Smerdis (Bardiya) canceled taxes and conscription for three years, this passage is unsupported by cuneiform sources.

To date, this is indisputable, but the following observations from the Egibi archive¹⁸ might help to weaken this argument from silence.¹⁹ During the last years of Cambyses and the short reigns of the usurpers Bardiya and Nebuchadnezzar III (corresponding to 8 Camb, 522 BC), two significant types of transaction are attested in this archive that are otherwise

absent from it or found only in a different context: First, exchanges of real estate and slaves, and second, deposits of silver. Such records are neither unusual nor rare in Neo-Babylonian business life, of course. What is striking is their uneven chronological distribution within the archive, clustered in only two years. This fact calls for closer examination of the circumstances under which the transactions took place.

During these years Irti-Marduk-balātu (IMB) was the head of the Egibi family. He acquired two valuable houses and one field in exchange for slaves and arable land. Other records relating to these transactions reveal that the parties who offered him the houses almost immediately sold the objects they obtained in order to settle debts of their own. The relevant sale contracts have been found in the Egibi archive — a place, where they would not be expected to be kept, as sale contracts are issued only for the buyer. Moreover, one of the individuals who purchased the former Egibi assets is known to be closely related to the Egibis and there is good reason to suspect that the objects that IMB gave away eventually returned to the Egibis by an indirect route.

What were the reasons for employing an exchange contract at all? The indebted party could have no interest in the objects being offered. The Egibis seem to have suffered a temporary lack of liquidity, but the indebted party also might have sold their assets to the third party directly. One of the aims of the rather convoluted operation could have been deliberately to un-link the debt claim from the sale of these assets. This is precisely what one might have done to protect himself against the possibility of a real estate redemption following the proclamation of a clean slate, but this thought is maybe a little bit farfetched.

IMB certainly did no longer suffer from a lack of cash during the short reign of Nidinti-Bēl (Nbk III, Oct. to Dec. 522 BC). Rather, he tried to deposit his money elsewhere. Four such records are preserved that are quite singular within the archive.²⁰ This phenomenon could be explained in a simple way: During politically unstable times the Egibis may have tried to minimize the risk of losing cash as a result of plunder or confiscation and hence entrusted certain amounts to people they trusted. But maybe there are other aspects to be considered. Why was a record of deposit chosen to document the event, rather than a common and straightforward interest-free *u illu*? Was there a reason to avoid the latter?

Even more suspicions arise when these records are viewed in the overall context of IMB's business activities. From at least the second half of Nabonidus's reign down to the Achaemenid period, the Egibis appear to have played a major role in the tax administration in the district of Babylon.

They maintained close relations with the royal officials responsible for such revenues, and IMB regularly travelled to places where the Persian court and army were gathered, presumably in pursuit of such business. The few but interesting records attesting to these journeys show him transferring money on behalf (or directly to) officials who are known to have dealt with tax matters. We therefore may assume that the Egibis employed a substantial part of their financial resources in transactions that involved the crediting and collection of taxes.

It also is plausible to suspect that IMB had a certain degree of insider knowledge, secret information or at least general awareness and instinct for political decisions on tax matters. The frequency of unusual transactions at a time of political unrest suggests that they were his means of coping with special circumstances, perhaps to counteract royal decisions that threatened his business affairs. The rumor of a remission of debts and taxes alone might have caused him to take some precautions. Although the available records do not provide explicit mention of this, M. Jursa points out (p. 212f. in this volume) that the concept of *andurāru* and *mīšaru* was still known to contemporary scribes. Herodotus's report therefore should not be dismissed without a more thorough (re-)examination of contemporary archival sources beyond the Egibi texts in search for patterns that might support such suspicions.

Money-lending and banking

Financial transactions involving short or long-term silver loans account for a large proportion of the surviving documentation from some private archives. In the early Assyriological literature one family in particular was labelled as "bankers" or a "banking house": the Egibis (Peiser 1890:19, 1898:22; Meissner 1920 1:359; Ebeling 1932). Although frequently repeated without exact definition of the term "banking," this statement finally was challenged by R. Bogaert in his book on the origins of banking. Devoting a full chapter (1966:105–118) to the Egibis, he examined the sources of their income and the circumstances under which they lent and borrowed money, and reached the conclusion that despite (or indeed, in light of) the wide range of their financial activities, the label "banker" would be misleading in its strict sense of the term. A key feature of banking was absent: There is no evidence that the Egibis borrowed money to lend at a higher interest rate so as to achieve a profit from the margin. Wherever they appear as creditors they seem to work with their own money. And whether they lent or sometimes borrowed money, it was almost always at the prevalent 20% annual rate. In this respect the

Egibis appear typical for their time, albeit on a larger scale than most other business families.

Financial transactions involving short- and long-term silver loans account for a large proportion of the surviving documentation from numerous Neo-Babylonian archives, but none of the individuals who are found acting repeatedly as creditors can be deemed to be professional moneylenders as such. Rather, interest-bearing loans and advances secured by pledges represented only one aspect of their wide-ranging business activities.

In the case of the Egibis, nearly half of their vast archive (of which at least 2000 tablets have survived) consists of records that employ the *u'itu* formula. The Egibis even used them between family members in order to keep their paternal and maternal inheritance shares separate though they were invested in the same business.²¹ However, most of the *u'itu*s do not record financial transactions, but rather concern deliveries or advances in the context of wholesale commodity trade, food processing, management of agricultural land and tax collection. The Egibis' crediting of fees and taxes, as well as agricultural equipment and draft animals, must be viewed in relation to the commodity trade that formed the backbone of the family business and generated most of its revenue. The Egibis used the techniques of their time — advances and collections, forward purchases of crops and various delivery commitments — but these devices had little to do with banking in the sense of lending money at interest purely for its own sake as a self-contained activity.

To be sure, a fair number of texts show them performing operations that we would describe as financial and legal services in a wider sense. For instance, Nabû-abhê-iddin (NAI), the head of the family in the second generation, served an important client, king Nebuchadnezzar's son-in-law Neriglissar. When another businessman went bankrupt, NAI arranged for Neriglissar to purchase a valuable house from the former's estate, dealt with his creditors and arranged all the details for money to be transferred and the records drawn up (van Driel 1985-86:59-62). In his capacity as royal judge, NAI several times received and discharged deposits of silver that he held in escrow for some time. But inasmuch as these deposits are reported to have been handed back in leather-bags with intact seals (e.g., TCL 12 120:21f.), their contents obviously were not used by NAI for his own business and hence had no relation to banking operations. Indeed, if NAI used a deposit or part of it for his own purposes, he had to pay interest (e.g., Nbn 44).

Some credit operations aimed mainly at obtaining interest as such. Iddin-Marduk, the father-in-law of NAI's son, is known to have lent

money for part of the remarkably high purchase price for a house bought by a couple. The debtors managed to keep up with the interest charges for a while, but hardly reduced the principal. When the husband died the house had to be sold and a lawsuit arose about the inheritance. A judicial order obliged the heirs to settle their creditors' claims from the sale price as their first priority (van Driel 1985-86:56f.; Wunsch 1993:60f.). There is reason to suspect that the house finally was purchased by the Egibis. Iddin-Marduk and his wife likewise provided more than 20 minas of silver to another businessman at 20% interest, secured by pledges. The records attest to regular interest payments up to the point when the debtor unexpectedly and prematurely died, leaving his family with considerable assets but even greater debts. The relevant dossier of tablets was preserved as a result of subsequent foreclosure proceedings that culminated in some forced land and house sales (Wunsch 2000:139-144).

There probably were many more cases of lending at interest where the principal eventually was paid back, and therefore left little or no trace in the records. Other archives show that interest-bearing debt notes could have long lives and were counted among the inheritable assets of the creditor's family.²² Although claims were transferable (including the income from antichretic usage of the pledge), and could be ceded by the creditor to a third party without the need to renew the original record or the debtor to consent, there is no indication that debt notes themselves could be traded.

Debt and credit — reasons and aims

Sources from private archives reveal several reasons why people got into debt. The fourteen types of debt cited at the outset of this paper summarize the typology of Neo-Babylonian examples but may not cover all possibilities. The most common were the loans issued to small farmers, mainly consumption loans in the wake of crop failures and with regard to agricultural advances of seed grain and draft animals that had to be repaid in kind. Another typical reason for running into debt was to pay dues and taxes, including military obligations that were linked to certain holdings, and fees for access to irrigation and maintenance of the infrastructure. When the harvest was not sufficient to enable these obligations to be paid on time, debts mounted up.

Among the urban middle class, business ventures required substantial amounts. Being voluntary on both sides, of course, the terms of such loans usually were more favorable than the conditions on which "ordi-

nary" loans to the needy were negotiated. Even small-scale economic activity might have required occasional credit.

In the sphere of real estate, cash-down payment of the purchase price seems to be the normal routine, but occasionally debt balances and even third-party money loans are counted to make up part of the buyer's shortfall in meeting the purchase price of a house. There is, however, no economic basis for real estate speculation in a way that interest charges would be compensated from future price gains. Among urban families a process of differentiation and economic polarization can be observed. Rapid family growth caused the fragmentation of resources unless counteracted by appropriate marriage strategies, business gains or access to income-generating offices. Shrinking income margins even made family branches that originally were well endowed with real estate dependent on credit. This situation finally led to a redistribution of part of the real estate held by urban families.

Apart from these factors, one finds loans to finance compulsive spending. TCL 12 86, for instance, provides an example of judges forbidding further credit to be advanced to a habitual spendthrift. What are not found, however, are loans to the parents of the bride to provide her with a dowry. The *u'itus* on record represent delays in paying for (or handing over) assets, but not indebtedness to a third party to give dowries.

When we turn to the question of why creditors extended loans, the most important advantage obviously was to obtain interest. But one also finds loans extended to one's economic peers without interest to secure one's network of relationships that, presumably, enhance business. Less directly, lenders might provide loans with the intention of obtaining the property or other asset collateralized by the nearly insolvent debtor, especially in the agricultural sphere. Once antichretic usage is established the creditor in effect assumes the position of landlord or lessor. This created at least a temporarily stable dependency system without the need to actually transfer legal title to the property. Loan contracts combined with antichretic rental of urban houses enabled merchants to *de facto* acquire real estate at credit and reinvest the money spent on the purchase into their business. Finally, as was the case in earlier periods of Mesopotamian history loans might be extended to obtain interest in the form of the debtor's labor.

NOTES

* Babylonian dates are cited in the following form: day/month (Roman number)/regnal year, King's name.

The following abbreviations are used:

Camb = Cambyses; Cyr = Cyrus; Dar = Darius; Nbk = Nebuchadnezzar; Nbn = Nabonidus; Ngl = Neriglissar; Xer = Xerxes.

Weight measures: 1 mina (about 800 grams) = 60 shekels (about 8 grams each).

Surface measures: 1 kur (54,000 square cubits, about 13500 square meters).

Capacity measures: 1 kur (about 180 liters).

Abbreviated references to text publications follow those provided by W. von Soden, *Akkadisches Handwörterbuch* Band III (Wiesbaden: O. Harrassowitz, 1981), with the following additions. CM 3 = Wunsch 1993; *AUWE* 8 = *Ausgrabungen in Uruk-Warka. Endberichte* (Mainz: Phillip von Zabern).

1. Temple prebends (GIŠ.ŠUB.BA = *isgu* "share, income right") "can be described as the right to an income from the temple in return for the performance of services connected with the cult. (...) A prebend is characterized by three features: the profession, the period of service and the deity or the temple for which the service is performed" (Bongenaar 1997:140f.). By the Neo-Babylonian period prebends had developed into inheritable rights and could be pledged and sold. If the owner happened to be unfit to perform the service (for instance, when the owner was a woman) it could be farmed out for performance by means of a work contract.
2. Data collected by Petschow 1965:2043a. For further evidence from the then unpublished Nabû-ušallim texts and the documents from the archive of Bêl-rēmāni, cf. the article by M. Jursa in this volume.
3. The few examples given by Petschow come either from an Ur archive from the time of Nebuchadnezzar II or from the Late Achaemenid Murašû archive from Nippur.
4. The Egibi family's archive is the largest Neo-Babylonian private archive discovered so far, of which at least 2000 tablets are known to date. It covers a period of more than 120 years and five generations, extending from the end of the reign of Nabopolassar until the beginning of Xerxes' reign. The texts document family affairs as well as business transactions. For a general description see Wunsch 1999 and 2000b:chapter I.
5. Nbn 602, Dar 45 (quoted by Petschow 1965:2043a). In both cases the one-shekel-per-month formula and the 12-shekels-per-year formula were conflated into a 12-shekels-per-month-and-mina stipulation. Interestingly, the debtors themselves wrote the records. While the debtor of the second

document occurs only once, the other debtor-scribe can be found in some other documents that do not display any atypical features.

6. *E.g.*, BM 78912 (20/vi/14 Šamašsumukin) from Babylon: principal amount of 20 shekels, debtor and creditor have no affiliation, per month per mina there are 10 shekels to be paid; in BM 54223 (from the time of Kandalanu) the same rate occurs. The possibility of a scribal error seems too easy an explanation, although it cannot be ruled out.
7. Clusters of data are available only for a few years; Joannès 1997:317 investigates the fluctuation of date prices for the year 15 Nbn (541/540 BC). The graph shows the expected high price before harvest (before October), but another peak in December that cannot be explained.
8. Evidence from the Egibi archive (cf. n. 4); for references and texts numbers see Wunsch 2000b:103f. with n. 23. A detailed study of these affairs will be included in my *Das Egibi-Archiv. Die Häuser* (in preparation).
9. The Murašû archive from 5th-century Nippur provides numerous examples, cf. Stolper 1985.
10. On *datio in solutum* as sale see San Nicolò 1932.
11. San Nicolò 1931.
12. For details, see Wunsch 2000b:103f.
13. For details, see Petschow 1951, Wunsch 1997/98:68-70.
14. *E.g.*, Camb 3:10-13: "Apart from a prior debt note at their (the debtors') debit. The whole field they will work and a (the creditor) will deduct their wage (*šisinnu*) from his claim."
15. For examples, see Dandamayev 1984:160ff.
16. CM3 291.
17. See, for instance, the article by M. Jursa in this volume and his summary of the discussion between M.W. Stolper and G. van Driel concerning the evidence from the Murašû archive with full bibliographical details.
18. See note 4.
19. The following thoughts will be presented in greater detail and supported by the relevant texts in a forthcoming study on "Les voyages d'Irti-Marduk-balātu" by F. Joannès and the present author.
20. Other records of deposit refer to amounts of money entrusted to the Egibis. IMB's father received deposits in his capacity as judge as a result of legal cases.
21. In his will BM 32205 (= *AO* 42/43 [1995-96]:no. 2), Iddin-Marduk bequeaths debt notes worth 40 minas of silver at the debit of his son-in-law

IMB to his grandchildren, the children of IMB. The children inherit these debts in a twofold way: as creditors (from their maternal grandfather's side) as well as debtors (from their father's side). The value of this inheritance therefore is nil, because the money *de facto* already has entered IMB's estate long ago.

22. VS 5 47 (NRV 21) from the Nappāhu archive, quoted by M. Jursa on page 202 in this volume.